

**Idaho Fish and Game Commission
Special Meeting
October 13, 2004**

A special meeting of the Idaho Fish and Game Commission was called to order by Commission Chair Nancy Hadley at 8:05 a.m. Director Steve Huffaker and Commissioners Marcus Gibbs, John Watts, Cameron Wheeler, and Gary Power, responded to the roll call. Also present on the call were Regional Supervisors Jim Lukens and Bob Saban.

Present in the Director's Office: Dallas Burkhalter, Deputy Attorney General; Roger Fuhrman, Chief, Bureau of Communications; Ed Mitchell, Conservation Public Education Supervisor; Steve Barton, Assistant to the Director; Scott Reinecker, Assistant Chief, Enforcement; Al Van Vooren, Region 3 Supervisor; Bob Fick of the Associated Press; and Marilyn Whitney, Executive Assistant.

The meeting was scheduled to discuss the fee adjustment bill to be filed with Legislative Services in preparation for the 2005 legislative session.

LEGISLATION

Fee Adjustment Bill

Director Huffaker provided background on the Commission's consensus at the July meeting to go forward with a fee adjustment bill to include a 13 - 14% fee increase as well as a section to provide the Commission with the ability to make fee adjustments by rule going forward.

Steve Barton, Assistant to the Director, explained that the current draft (Appendix 37, Exhibit 36) of the bill is virtually the same as the one prepared last year. This year's draft contains two major parts: Section 1 is an immediate fee increase of approximately 13.7% effective July 1, 2005 (the start of the Department's Fiscal Year 2006). This proposal is based on discussion with legislative leadership and others who advocated holding off the bill last year but acknowledged that the Department would need a fee adjustment effective in FY '06.

Sections 2 and 3 are very similar to last year's draft. In Section 2, the only change is in the wording of Item 15. Section 3 is the new maximum amount. The numbers are based on the assumption that the change in employee compensation (CEC) and inflation approved by the Legislature over the last 10 - 11 years will continue in the next 10 - 11 years. The amounts reflect the levels that would be reached by the end of 2016. The rate of increase is approximately 2.5% per year over current fees.

One change noted was on page 9, paragraph A, 4th line, "However, the Commission shall not increase the general fee for any resident license by more than 5% in any one year," was made at the suggestion of legislators who felt this would make the concept more palatable. Mr. Barton

also pointed out that Code requires fee rules to be approved by both houses of the legislature in order to become effective.

In Sections 2 and 3 of the bill, which give the Commission the authority to adjust fees, the effective date will be changed to January 1, 2007.

Commissioner Gibbs clarified that the projected maximum is roughly 40% higher than current fees over a 16-year period. Steve Barton explained that the 40% increase is figured from the effective date of the last increase in May of 2000 and extends to 2016 or 2017. Thus the current bill addresses giving the Commission the authority to adjust fees for a 10-12 year period. If inflation were low, the timeframe would last longer; if inflation were high, it would last for a shorter period.

Commissioner Watts voiced concern that not all the Commissioners have been present at one meeting to discuss the proposal. He also expressed concern over whether there was sufficient political support to win passage of the bill and, if not, the Department might be setting itself up to have legislative proposals rejected more readily in the future. He expressed his support for the fee increase portion of the proposal; however, he was hesitant to support the incremental index approach without getting a better feel for the level of political support. Commissioner Watts questioned the timing of submitting the bill and suggested that more time was needed to work with the Governor's office and key legislators to explain the details before submitting the package. He also stated that some sections of the bill needed to be written more concisely and clearly and that additional answers should be added.

Commissioner Gibbs expressed his support for the 13.7% fee increase but shared Commissioner Watts' concerns over the indexing proposal.

Commissioner Power expressed his support for the indexing and felt there was time to talk to constituents and legislators to get support.

Commissioner Wheeler stated that based on the signals sent last year and the conversations he has had with interested parties, he believes there is considerable concern over indexing that could have a negative impact on the fee increase portion of the bill and the Department's relationships with the legislature.

Commissioners Watts, Wheeler, and Gibbs concurred that they were not necessarily opposed to asking for the indexing, but felt they needed more time to discuss it with stakeholders, gauge support, and build a coalition before finalizing the proposal.

The Commissioners agreed that they were comfortable with the fee increase portion of the bill.

Chair Hadley clarified that the 13.7% increase is only enough to allow the Department to catch up and get through FY '06. Without the indexing, the Department would need to request a small increase each year. In the past, the approach has been to ask for an increase to catch-up and to keep the Department whole for about 5 years, which resulted in a large increase every 7-10 years. Indexing would avoid that scenario.

Commissioners discussed whether to split the bill or keep it intact with the understanding that the indexing would be pulled if there was not sufficient support by December or January.

Commissioners concurred that the Department needed a strategy to address what to do in the event the bill was split and/or the indexing portion was pulled. Chair Hadley suggested that one potential strategy would be to propose indexing over a 3-year period instead of a 10-12 year period to demonstrate to legislators how it would work and then bring back a 9-10 year proposal.

Chair Hadley confirmed that the Department's position is to advocate for the indexing and go back for another incremental fee increase next year if the indexing portion does not pass.

Director Huffaker explained that the Department's focus has been on talking to sportsmen and using their support to convince the Legislature. The Director reiterated that the amount proposed is to keep programs running and catch up with inflation since 2000. It is not an increase that will keep the Department healthy. If the indexing is not approved, the Department will remain on a "feast or famine" course that the Commission has agreed is not what is best for the future. The Director confirmed that the deadline to have the legislation submitted was October 1. The Governor's office gave the Department latitude to wait until the conference call to get Commission approval. The Department needs to submit a draft and get it in the process.

Commissioner Watts proposed submitting the fee increase portion of the bill, putting a "marker" in for the indexing, and requesting more time from the Governor's office.

Commissioner Power advocated shortening the timeframe for the indexing from 10-12 years to 5 years to give the Department an opportunity to show the legislature that it will work and to eliminate the concern that people will look at the farthest projected increase and be alarmed at the amount.

Commissioner Wheeler advocated splitting the bill and developing strategies based on a split bill rather than risk rejection of the fee increase portion and/or having the legislature split the bill.

04-74 Commissioner Watts moved TO SUBMIT TO THE GOVERNOR'S OFFICE THE 13.7% FEE INCREASE WITH A LETTER INDICATING THAT THE DEPARTMENT WILL WORK WITH LEGISLATORS AND SPORTSMEN TO DISCUSS THE INCREMENTAL INCREASE PORTION OF THE FEE ADJUSTMENT BILL AND BRING THAT FORWARD PRIOR TO THE START OF THE LEGISLATIVE SESSION OR INDICATE THAT THE DEPARTMENT WILL NOT BRING THAT PROPOSAL. The motion died for lack of a second.

The Commission reached consensus to submit the proposal intact, as a single bill with a cover letter to the Governor explaining that the Department and Commissioners will be working through the indexing concept and building support and consensus with sportsmen and legislators. The Department and Commissioners also agreed they would meet with interested parties and discuss the 10-12 year vs. 3-4 year concept and whether the bill should be split. The Director confirmed that the Governor's office has already approved the legislative proposal, but the

Department can modify the bill through February, prior to any committee meetings and before the bill is introduced. No motion was required.

Commissioner Gibbs noted that there was no formal vote at the July meeting on the legislative proposals. There was consensus to move forward. All Commissioners and the Director were comfortable without having a formal motion on the legislative proposal.

Commissioners agreed to spend whatever time was necessary at the November meeting to discuss the fee adjustment bill.

Chair Hadley requested that Commissioners send suggested changes on the wording of the bill to the Director and give consideration to who should be copied on the letter to the Governor. Commissioner Wheeler asked that all Commissioners be allowed to review the letter prior to it being sent. The Director indicated staff would draft and email or fax the letter to all Commissioners.

Chair Hadley asked if there were any other items and requested that any comments on the fee adjustment proposal talking points be sent to the Director.

Adjournment

The meeting adjourned at 9:22 a.m.